

## County of Los Angeles CHIEF ADMINISTRATIVE OFFICE

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May 8, 2006

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Supervisor Don Knabe

From:

David E. Janssen

Chief Administrat

WASHINGTON, D.C. UPDATE

Telecommunications Reform Legislation (H.R. 5252/S. 2686): On April 26, 2006 the House Energy and Commerce Committee approved H.R. 5252 (Barton, R-TX), the Communications Opportunities Promotion and Enhancement (COPE) Act, which would allow telephone companies, such as AT&T and Verizon, to compete in the video (cable) market place. H.R. 5252 would establish a national franchise process to be administered by the Federal Communications Commission (FCC) in order to expedite the entry of telephone companies in this field. The national franchise process would be applicable to new video entrants (telephone companies) and existing cable companies and would pre-empt local franchising authority.

Most significantly, H.R. 5252 would allow new entrants to pick and choose which neighborhoods have access to cable/video services, without any "build out" requirement that all areas in a community be served. H.R. 5252 may be considered by the full House of Representatives in late May or early June. The National Association of Counties, U.S. Conference of Mayors, and the National League of Cities are all opposed to H.R. 5252 because the bill would take away the authority of local governments to manage the use of their rights-of-way, give the FCC authority to oversee local governments' customer service issues, and allow broadband-video providers to use the rights-of-way of any local community without enforcing build out provisions. Several amendments to address those issues were offered by these organizations during committee deliberations but all were defeated.

On May 1, Senate Commerce Committee Chairman Stevens (R-AK) and Ranking Member Inouye (D-HI) introduced S. 2686, the Communications, Consumer's Choice, and Broadband Deployment Act of 2006. Like H.R. 5252, S. 2686 would reform existing communications laws to provide for the expedited deployment of broadband services while virtually eliminating the local franchising process. The Commerce Committee has scheduled two hearings on S. 2686 on May 18 and May 25, and plans to mark up the legislation following the Memorial Day District Work Period.

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The County will continue to oppose H.R. 5252 and S. 2686 because both bills are not consistent with Board policy to support legislation to preserve local government authority to franchise and regulate video services; maintain local government authority regarding rights-of-way for telecommunication infrastructure and the establishment of public, educational, and government channels, and the County's authority to impose fees or taxes on telecommunications services, resulting in a likely loss of revenue to the County.

H.R. 4167 (Rogers, R-MI), the National Uniformity for Food Act of 2005, would amend the Food, Drug, and Cosmetic Act to provide for uniform food safety warning requirements, including for warning labels. The bill would prohibit states from having food safety notification requirements that differ from Federal requirements. States would be allowed to petition the Federal government to keep or adopt different requirements. However, the petitioning process would be time-consuming and administratively burdensome. Moreover, the bill provides that an exemption for a state may not be granted if it would "unduly burden interstate commerce, balancing the public interest of the State or political subdivision against the impact on interstate commerce." The main rationale for the bill, cited by the food industry, which supports it, is that differing state standards impose undue burdens on interstate commerce. The House passed H.R. 4167 by a vote of 283 to 139 on March 8, 2006. In the Senate, the bill has been referred to the Senate Health, Education, Labor, and Pensions Committee, which has not yet scheduled any action on it.

Governor Schwarzenegger, 37 state attorney generals, including Bill Lockyer, and the County's Department of Health Services (DHS) oppose H.R. 4167 because it would preempt the authority of state and local governments to protect their residents by adopting stronger food safety requirements. For example, it would preempt voter-approved language in Proposition 65, the Safe Drinking Water and Toxic Enforcement Act of 1986, which enabled the State of California to require Mexican manufacturers to reduce lead levels in candies that they produce. The current Federal Drug Administration allowable lead level standard for these candies is approximately 20 times more than the allowable level under Proposition 65. DHS enforces State food safety notification requirements that would be preempted if H.R. 4167 is enacted.

The Federal Agenda, adopted by your Board on February 21, 2006, includes an overall policy opposing Federal preemption of State and local government authority. Based on this policy, the County's Washington advocates will oppose H.R. 4167 or similar legislation, which would preempt the authority of state and local governments to establish and enforce their own food safety notification requirements.

We will continue to keep you advised.

DEJ:GK MAL:RM:cc

c: All Department Heads Legislative Strategist